

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-84638; File No. SR-NASDAQ-2018-093)

November 20, 2018

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Relocate Registration, Qualification Examination and Continuing Education Rules

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 14, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to delete from [sic] the current rules on Registration, Qualification Examination and Continuing Education consisting of Rules 1200, 1210, 1220, 1230, 1240 and 1250 (the “1200 Series” of rules) and to relocate them into General 4 in the Exchange’s rulebook’s (“Rulebook”) shell structure, as new General 4, Section 1.³

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Recently, the Exchange added a shell structure to its Rulebook with the purpose of improving efficiency and readability and to align its rules closer to those of its five sister exchanges, Nasdaq BX, Inc.; Nasdaq PHLX LLC (“Phlx”); Nasdaq ISE, LLC; Nasdaq GEMX, LLC; and Nasdaq MRX, LLC (“Affiliated Exchanges”). The shell structure containing General Equity and Options Rules currently contains eight chapters which, once complete, will apply a common set of rules to the Affiliated Exchanges. See Securities Exchange Act Release No. 82175 (November 29, 2017), 82 FR 57494 (December 5, 2017) (SR-NASDAQ-2017-125).

The text of the proposed rule change is available on the Exchange's Website at <http://nasdaq.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to delete its rules on Registration, Qualification Examinations and Continuing Education where they are currently found in the Exchange's Rulebook and relocate them to General 4, Regulation, of the "General Equity and Options Rules" in the Exchange's new shell Rulebook, as new Section 1, Registration, Qualification and Continuing Education.

The 1200 Series of rules is a common set of rules among Nasdaq and the Affiliated Exchanges that were recently adopted on Nasdaq and on each of the Affiliated Exchanges.⁴ The

⁴ See Securities Exchange Act Release Nos. 84386 (October 9, 2018), 83 FR 51988 (October 15, 2018) (SR-Nasdaq-2018-078); 84353 (October 3, 2018), 83 FR 50999 (October 10, 2018) (SR-BX-2018-047); 84352 (October 3, 2018), 83 FR 50981 (October 10, 2018) (SR-Phlx-2018-61); 84384 (October 9, 2018), 83 FR 52006 (October 15, 2018) (SR-ISE-2018-82); 84448 (October 18, 2018), 83 FR 53669 (October 24, 2018) (SR-GEMX-2018-33); and 84385 (October 9, 2018), 83 FR 52023 (October 15, 2018) (SR-MRX-2018-31).

Nasdaq 1200 Series of rules will ultimately, after they are relocated and pursuant to subsequent proposed rule changes by the Affiliated Exchanges, replace the existing 1200 Series of rules as they currently appear in each of the Affiliated Exchanges' rulebooks, which will incorporate the relocated Nasdaq rules by reference.⁵

The relocation and harmonization of the 1200 Series is part of the Exchange's continued effort to promote efficiency and conformity of its rules with those of its Affiliated Exchanges. The Exchange believes that the placement of the 1200 Series of rules in their new location in the shell will facilitate the use of the Rulebook by members of the Exchange who are also members of one or more of the Affiliated Exchanges. Moreover, the proposed changes will not amend the substance of the 1200 Series of rules. They will simply renumber the rules by adding "General 4, Section 1." immediately before the current rule number. Thus, for example, current Rule 1210 will be redesignated "General 4, Section 1.1210". Similarly, current references in the Rulebook to the "Rule 1200 Series" will be changed to the "General 4, Section 1.1200 Series". Current Exchange rules - both within the existing 1200 Series of rules and elsewhere in the Rulebook - that cross-reference the current 1200 Series of rules will also be updated to refer to the 1200 Series of rules as renumbered.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁷ in particular, in that it is

⁵ Due to its trading floor and unique membership structure which features the concept of a "member organization," the Phlx 1200 Series differs slightly from the 1200 Series adopted on the remaining Affiliated Exchanges. Consequently, the Phlx 1200 Series will be amended to conform to the 1200 Series of the other Affiliated Exchanges prior to incorporating the Nasdaq 1200 Series of rules into the Phlx rulebook.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. The relocation and renumbering of the 1200 Series of rules and the cross-reference updates are of a non-substantive nature. The proposal is intended ultimately to facilitate the harmonization of the Exchange's rules with those of its Affiliated Exchanges.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes do not impose a burden on competition because, as previously stated, they are of a non-substantive nature.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁸ and subparagraph (f)(6) of Rule 19b-4 thereunder.⁹

⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

⁹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days from the date of filing. However, Rule 19b-4(f)(6)(iii)¹⁰ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay in order to expedite the Exchange's reorganization of its Rulebook.¹¹ The Exchange asserts the waiver would help promote efficiency and conformity of its rules with those of its Affiliated Exchanges. The proposed changes are non-substantive; they relocate rules that were adopted by Nasdaq in a prior rule filing. Waiver of the 30-day operative delay will enable Nasdaq to reorganize its Rulebook without delay. Thus, the Commission believes that the waiver of the 30-day operative delay is consistent with the public interest and hereby waives the 30-day operative delay.¹²

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹⁰ 17 CFR 240.19b-4(f)(6)(iii).

¹¹ See supra note 3.

¹² For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2018-093 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2018-093. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change.

Persons submitting comments are cautioned that the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to

make available publicly. All submissions should refer to File Number SR-NASDAQ-2018-093 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

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Assistant Secretary

¹³ 17 CFR 200.30-3(a)(12).